

## MEDIA RELEASE

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### **AER benchmarking report shows electricity networks continue to improve productivity**

New benchmarking studies released by the Australian Energy Regulator today confirm the focus of Australia's electricity networks on improved outcomes for customers.

The annual benchmarking reports for electricity distribution and transmission networks show improvements in productivity by many network businesses during 2015.

Energy Networks Australia Chief Executive Officer, John Bradley, said Australian networks were focussed on better service and more efficient outcomes for customers.

"Australia's energy sector is going through a dynamic period of change and electricity networks are focussed on driving efficiency and value for money across their services.

"This report confirms improved productivity in distribution networks across the ACT, South Australia, Tasmania and Victoria, along with improvements at transmission networks in South Australia and Tasmania.

Mr Bradley said the reports also highlight that where productivity measures have not improved, this is often due to significant reforms expected to deliver higher productivity in coming years.

"Many of those network businesses measured as most productive continued to improve their performance in 2015, demonstrating a commitment to continuous improvement.

"Electricity networks have significant efficiency programs underway and are driving better performance through smarter use of existing assets, technology and the expertise of staff.

"The strong year-on-year performance of TasNetworks, improving its measured productivity in 2014 and 2015 by more than 8 per cent, following recent reforms, demonstrates this potential.

Mr Bradley welcomed the recognition in the report that external operating factors – which can be as simple as heavier than average rainfall, additional bushfire safety obligations or restructuring costs – can significantly impact overall network productivity results.

"While network businesses may not agree with the precise methodology used for benchmarking, the report does highlight the continued focus of energy network businesses on improving performance across the sector without compromising service.

"Some comparisons need to be carefully considered, for instance in the transmission network sector with small numbers of businesses with diverse operating environments, but networks are committed to ensuring the best quality and most consistent data possible.

"Network businesses strongly support the role of economic benchmarking as a tool for improving network performance, and to inform regulatory decisions on network charges going forward.

"Our sector uses benchmarking and we are keen to work collaboratively with the AER to enhance benchmarking approaches and processes over time, to drive lower costs and better performance for customers," Mr Bradley said.

### **ENDS**

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*Energy Networks Australia represents Australia's electricity transmission and distribution networks and gas distribution networks. Our members provide energy to virtually every household and business in Australia.*